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1909

## STATE OF NEVADA

# BANKING LAWS=1909

### State Banking Board of Nevada

Governor D. S. DICKERSON, Carson City, Chairman

J. W. ADAMS, Carson City      SAMUEL W. BELFORD, East Ely

A. B. WITCHER, Ely      CHAS. S. SPRAGUE, Goldfield

M. M. VAN FLEET, Carson City, Secretary

M. M. VAN FLEET, Carson City, Bank Examiner

T. J. SALTER, Carson City, Clerk and Assistant to Bank Examiner



CARSON CITY, NEVADA

STATE PRINTING OFFICE, : : : J. G. MCCARTHY, SUPERINTENDENT  
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## BANKING LAWS OF NEVADA.

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*An Act to define and regulate the business of banking; creating a State Banking Board, and defining its powers and duties, and providing for a Bank Examiner and the examination and supervision of banking corporations; and for the appointment of receivers in certain cases, fixing penalties for the violation thereof; and other matters relating thereto.*

Approved March 24, 1909. Stats. 1909, p. 251.

### Banking Declared a Quasi-public Business.

SECTION 1. The business of banking or receiving of deposits of money or instruments of credit subject to be repaid upon check, draft, certificate, pass-book or order; the discounting, negotiating of promissory notes, drafts, bills of exchange, and other evidences of debt; and the loaning of money upon personal or other security, is hereby declared to be a quasi-public business and subject to regulations and control by the State.

Bank Must Be Organized Under Laws of Nevada—Exception—All Banks Must Hereafter Incorporate Under Law of 1907—Penalty.

SEC. 2. It shall be unlawful for any corporation, partnership, firm, or individual to engage in or transact a banking business within this State on and after the taking effect of this Act, except by means of a corporation duly organized for such purpose under the laws of this State; except agencies of foreign corporations now doing a banking business in this State, said agencies to be subject to all the provisions of this Act not inconsistent with this exception; *provided*, that hereafter all corporations organizing for the purpose of doing a banking business in this State shall incorporate under and pursuant to the provisions of "An Act to provide for the incorporation of banks, banking institutions and saving societies, and the management of the affairs thereof, and other matters relating thereto, providing penalties for the violation of the provisions of this Act, and repealing all Acts in conflict thereof," approved March 29, 1907. Any violations of the provisions of this section shall subject the corporation, partnership, firm or individual so offending to a penalty of twenty-five (\$25) dollars for each day of the continuation of such offense, and be cause for the appointment of a receiver by the State Banking Board as hereinafter provided, to wind up such banking business.

"Bank," "Banking Corporation," "Commercial Bank," and "Savings Bank" Defined.

SEC. 3. The term "bank" or "banking corporation," as used in this Act, shall be construed to mean any incorporated banking institution which shall have been incorporated under the laws of this State, as they existed prior to the taking effect of this Act, and to such banking institutions as shall hereafter become incorporated under the provisions of this Act. The term "commercial bank" shall be construed to mean any such banking institution as shall, in addition to the exercise of



other powers, follow the practice of repaying deposits upon check, draft, or order, and of making commercial loans chiefly; the term "savings bank" shall be construed to mean any such banking institutions as shall, in addition to the exercise of other powers, follow the practice of repaying deposits only upon the presentation of pass-books, and whose loans are chiefly made on real estate security.

**"Lawful Money" Construed.**

SEC. 4. The term "lawful money," as used in this Act, shall be construed to mean all coin, United States notes, treasury notes, gold certificates, silver certificates, National bank notes, and all other forms of money issued by, or which may hereafter be issued by or under, the authority of the United States, as a circulating medium, and shall also be construed to mean any form of certificate which is now or may hereafter be declared to be lawful money of the United States.

**State Banking Board Created—Term of Office, Oath, Meetings, Salary, Etc.—Proviso.**

SEC. 5. There is hereby created the Nevada State Banking Board which shall consist of the Governor, who shall be ex officio chairman thereof, and four other members to be appointed by the Governor. Such appointees shall hold office for the term of two years, unless sooner removed by the Governor, and shall qualify by taking and subscribing to the constitutional oath of office which shall be filed with the Secretary of State. Said Board shall meet at the State Capitol at least twice a year, and at such other times as the Governor, or any two members thereof, may request. The members so appointed shall receive ten dollars per day for their services while engaged in the performance of their duties as prescribed by this Act; *provided*, that each member thereof shall be entitled to receive his traveling and other necessary expenses incurred in attending meetings of said Board.

**To Have Control of Banks—National Banks Excepted—To Succeed Board of Bank Commissioners.**

SEC. 6. Said Board shall have general supervision and control of banks and banking under the laws of this State, and no person or persons shall be permitted to engage in or transact a banking business save corporations having complied with the provisions of this Act; *provided, however*, that this Act is not intended to apply to banks organized under the banking laws of the United States. Said Board shall be and constitute the State Banking Board, and successor to the Board of Bank Commissioners, as now existing, as such entitled to all the records, books, files and papers thereof, and shall exercise all the powers and discharge all the duties of such Board under the laws of this State.

**Governor to Appoint Bank Examiner—Bond.**

SEC. 7. The Governor shall appoint a suitable person, having had at least three years' actual experience in practical banking, to make an examination of and into the affairs of every corporation transacting a banking business and subject to the provisions of this Act, as often as shall be deemed necessary or proper by the said State Banking Board, and at least twice in each year. But no person thus appointed shall be permitted to examine the affairs of any bank in which he has a personal interest, or of which he is, or within one year next preceding his appointment was, an officer or employee, and any and all persons

appointed under the provisions of this section shall be subject to removal at the pleasure of the Governor. Such Bank Examiner shall enter into a bond to the State of Nevada before taking his office, with surety or sureties, to be approved by the Governor, in the sum of \$25,000. Said Bank Examiner shall be ex officio Secretary of the Board, and he may appoint one clerk and assistant, who shall receive a salary of \$1,800 per annum.

**Seal for State Banking Board.**

SEC. 8. The said Banking Board shall procure and keep a seal, upon which shall be engraved the coat of arms of the State and the words "State Banking Board of Nevada," and all licenses and orders issued by said board shall be attested by said seal and the signatures of the said chairman and secretary.

**Duties of Bank Examiner—Proviso.**

SEC. 9. The Bank Examiner so appointed shall have power to make a thorough examination into all the books, papers and affairs of any corporation, transacting a banking business in this State, and in so doing, to administer oaths and affirmations, and to examine on oath or affirmation, the officers, agents, and clerks of such corporation, touching the matters which he may be authorized and directed to inquire into and examine, and to require the attendance of any person or persons in this State to testify under oath before him in relation to the affairs of such corporation. The Bank Examiner shall report to the District Judge of the county wherein such examination is being held the name of any person refusing to appear or refusing to answer. The Judge of such district shall cause a citation to issue to such person in the same manner as citations are usually issued in the District Court, and shall proceed to punish such person for contempt unless such person appear and testify. All proceedings shall be conducted in the same manner as contempt in the District Courts. The person making such examination shall make a full and detailed report of the condition of such corporation, to the State Banking Board; *provided*, that any examiner appointed under the provisions of this Act who shall knowingly and wilfully make any false or fraudulent report of the condition of any bank which shall have been examined by him, with the intent to aid or abet the officers, owners or agents of such bank, in continuing to operate an insolvent bank; or if, any such examiner shall receive or accept any bribe or gratuity, given for the purpose of inducing him to not file any report of an examination of any bank made by him, or who shall neglect to make an examination of any bank by reason of having received or accepted any bribe or gratuity, he shall be deemed guilty of a felony, and, on conviction thereof, shall be imprisoned in the State Penitentiary for not less than two, nor more than ten years.

**Salary—Expenses.**

SEC. 10. Every person thus appointed to examine into the affairs of banking corporations shall receive as compensation for his services three thousand dollars per annum, payable in equal monthly installments, and all necessary traveling expenses incurred and actually paid out in the performance of his duties as such examiner, not to exceed one thousand five hundred (\$1,500) dollars per annum, such traveling expenses to be paid out of the General Fund, upon his filing with the

Board of Examiners an itemized report of such expenses approved by the State Banking Board, or any two members thereof.

**Bank Examiner to Take Charge of Bank, When.**

SEC. 11. The Bank Examiner, appointed as aforesaid, shall have authority, when ordered by the State Banking Board, to take possession of any bank doing business under the laws of this State, and to retain possession of such bank for a time sufficient to make a thorough examination into its affairs and financial condition, and if, upon such examination it be found by said examiner, that said bank is insolvent, or is conducting its business in an unsafe or unauthorized manner, or is endangering the interest of its depositors, then such examiner shall have full power and authority to hold and retain possession of all the money, rights, credits, assets, and property of every description belonging to such bank as against any mesne or final process issued by any court against such bank or corporation whose property has been taken by such examiner until the State Banking Board can receive and act on the report made by the examiner of said bank, and have a receiver appointed as hereinafter provided.

**License Must Be Procured.**

SEC. 12. It shall be unlawful for any person or corporation to conduct a bank or to engage in or transact a banking business in this State without having first obtained a license from the State Banking Board in the manner hereinafter provided, which license shall issue only to corporations duly organized for the transaction of such business.

**Majority of Directors Must Be Residents of County.**

SEC. 13. A majority of the members of the board of directors of any banking corporation transacting business under the provisions of this Act must be residents of the county wherein such bank is located, or of the counties immediately adjacent thereto, and every director of a bank having a capital of less than fifty thousand dollars (\$50,000) must be the owner and holder of at least one-twentieth of the paid-up capital stock in his own name and right, and in a bank with a capital of more than fifty thousand dollars (\$50,000) every director must own and hold in his own name and right not less than three thousand dollars (\$3,000) of the paid-up capital stock.

**Paid-up Capital Stock Certain Amount Required For Certain Localities—Proviso.**

SEC. 14. The paid-up capital stock required to entitle a corporation to a license under the provisions of this Act, shall be as follows: In no case less than ten thousand dollars; where the bank is located in a village or town of more than one hundred, and less than five hundred inhabitants, not less than fifteen thousand dollars; in towns or villages of five hundred or more, and less than one thousand inhabitants, not less than twenty thousand dollars; in towns or villages of one thousand or more, and less than two thousand inhabitants, not less than twenty-five thousand dollars; in cities or villages of two thousand or more, and less than five thousand inhabitants, not less than thirty-five thousand dollars; in cities of five thousand or more, and less than twenty thousand inhabitants, not less than fifty thousand dollars. The entire capital stock shall be subscribed, and at least eighty per cent thereof paid in, before such license shall be issued to any corporation authorizing it to transact a banking business in this State; and such paid-in capital,



including the initial and subsequent payments, shall consist, at the time, of lawful money credit with depository banks, National, State, county or municipal bonds, bank furniture and the necessary bank building, and the lot or lots upon which such building is situated, which said lot or lots shall be free from incumbrance; but National, State, county and municipal bonds shall not constitute in the aggregate more than one-half, nor the bank building and the lot or lots upon which it is situated, together with the bank furniture and fixtures, more than one-third of the paid-in capital, nor shall such furniture and fixtures constitute more than one-tenth thereof; *provided, however*, that the provisions of this section shall not apply to banking corporations organized and engaged in the business of banking at and prior to the taking effect of this Act.

**Articles Filed With State Board.**

SEC. 15. Every corporation transacting a banking business under the laws of this State, shall, within sixty days after the taking effect of this Act, file with the State Banking Board a copy of its articles of incorporation and a full, complete and detailed report of its condition.

**Statement, Under Oath, Filed With State Board.**

SEC. 16. Every corporation, organized for and desiring to transact a banking business, shall before commencing such business, cause to be made, under oath, and transmit to the State Banking Board, a full, complete, and detailed statement of: First, the name of the proposed bank; second, a certified copy of the articles of incorporation; third, the names of the stockholders; fourth, the county, city, town or village in which the said proposed bank is located; fifth, the nature of proposed banking business, whether commercial or savings; sixth, the amount of paid-up capital stock, and the items of money and property included in said amount.

**Board To Issue License, When—Fees For License.**

SEC. 17. Whenever, after the examination and approval by the State Banking Board, of the statement provided for in Section 16 of this Act, the corporation shall file with the State Banking Board the oath of the president, or cashier, that the capital stock has been paid in as provided for, and in compliance with Section 14 of this Act, then the State Banking Board, if, upon investigation, it shall be satisfied that all lawful requirements have been complied with, shall, upon the payment of certain fees as hereinafter provided, issue a license to such corporation. The fees for such license to engage in the business of banking shall be as follows: All banks having a capitalization of \$25,000 or less, shall pay the said board for such license the sum of \$100; all those having a capitalization of more than \$25,000, up to and including \$100,000, shall pay a license of \$150; all those having a capitalization of more than \$100,000, up to and including \$300,000 or more, shall pay a license of \$275; and each bank shall pay annually thereafter, on or before June 1st of each year the license required by this section.

**Quarterly Reports of Banks.**

SEC. 18. Every corporation transacting a banking business hereunder shall make to the State Banking Board not less than four (4) quarterly reports during each year according to the form which may be prescribed by said board, which reports shall be verified by the oath or

affirmation of the president, vice-president, or cashier, and in addition two of the board of directors. But the officer administering the oath or affirmation to the person verifying such report shall be in no way interested in such bank as an officer, director, or stockholder.

**What Reports Shall State—Report Published.**

SEC. 19. The reports provided for in Section 18 of this Act shall state the amount loaned upon bonds and mortgages; the amount loaned upon notes, bills of exchange, overdrafts, and other personal securities, with the actual market value of such securities; the amount of the rediscounts and of commercial paper past due; the amount invested in real estate, giving the cost of the same; the amount of cash on hand and on deposit in banks or trust companies with their names and the amount deposited in each; the amount of all other assets not enumerated above; *provided*, that commercial paper not in process of collection, six months past due, with interest unpaid, shall not be included in the report of the assets of such corporation. Each report shall state such resources and liabilities at the close of business on any past day by the State Banking Board specified, and shall be transmitted to said Board within five days after the receipt of a request or requisition therefor. And a summary of such report in the form prescribed by the State Banking Board shall be published in the place where such banking business is transacted, or if there is no newspaper in the place, then in one published in the same county, at the expense of such bank, and proof of such publication shall be transmitted to the State Banking Board within twenty (20) days from the date fixed for such report.

**Special Reports, When.**

SEC. 20. Any corporation transacting a banking business under this Act shall be required to furnish such special reports as may be required from the State Banking Board, or the chairman thereof, to enable such board or chairman to obtain full and complete knowledge of the condition of such corporation.

**Penalties for Failure to Make Reports.**

SEC. 21. Any corporation that shall fail, neglect or refuse to make or furnish any report or any published statement required by the provisions of this Act, or that shall transact a banking business without having first obtained a license therefor, in accordance with the provisions of this Act, shall be subject to a fine or penalty of fifty dollars (\$50) per day for each day after the time named for said report or statement to be made, that it delays to make and transmit such report or statement to the State Banking Board; and for each day on which any corporation shall be engaged in transacting a banking business in violation of the provisions of this Act. The fine or penalty herein provided for shall be recovered by the State, in a civil action in any court of competent jurisdiction, and it is hereby made the duty of the Attorney-General to enforce the fine or penalty herein provided.

**Penalties for False Statements.**

SEC. 22. Any person who shall wilfully and knowingly subscribe to, or make, or cause to be made, any false statement or false entry in the books of any corporation transacting a banking business under this Act, or shall knowingly subscribe to or exhibit false papers, with the intent to deceive any person or persons authorized to examine into the

affairs of any such corporation, or shall make, state, or publish any false statement of the amount of the assets or liabilities of any such corporation shall be deemed guilty of a felony and upon conviction thereof shall be imprisoned in the State Penitentiary not less than one year nor more than five years.

**Reserve Must Be Kept.**

SEC. 23. Every bank doing business under the laws of this State shall have on hand in available funds an amount equal to fifteen per cent of its entire deposits; two-thirds of such amount may consist of balances due from good solvent banks and one-third shall consist of actual cash; *provided*, that any bank that has been made the depository for the reserve of any other bank or banks shall have on hand, in the manner provided herein, twenty-five per cent of its deposits.

**Cash, What To Include.**

SEC. 24. Cash shall include lawful money of the United States, and exchange for any clearing house association. Whenever the available funds of any bank shall fall below the reserve herein required, such banks shall not make any new loans or discounts otherwise than by discounting or purchasing bills of exchange payable at sight; nor shall such bank make any dividends of its profits until it has on hand the available funds required by this Act. The State Banking Board may notify any bank, in case its reserve shall fall below the amount required, or its capital is impaired, to make good such reserve, or capital within such time as the State Banking Board may direct, and any failure of such bank to make good any deficiency in the amount of its reserve, or its capital, within the time directed, shall be cause for the appointment of a receiver, as hereinafter provided.

**Liabilities Must Never Exceed Paid-up Capital and Surplus.**

SEC. 25. The aggregate amount of the rediscounts and bills payable of any corporation transacting a banking business in this State, shall at no time exceed its paid-up capital and surplus, nor shall any bank at any time permit its loans and investments, exclusive of its reserve and banking house and fixtures, to exceed in the aggregate, eight times the amount of its combined paid-up capital and surplus; *provided*, that the loans and investments of any savings bank, exclusive of its reserve and banking house fixtures, shall not exceed at any time ten times the amount of its capital and surplus.

**Bank Not To Loan Upon Its Own Capital Stock.**

SEC. 26. No corporation transacting a banking business shall make any loan or discount on the security of the shares of its own capital stock, nor be the purchaser or holder of any such shares, unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith; and stock so purchased or acquired shall within six (6) months from the time of its purchase be sold or disposed of at public or private sale; *provided*, that in no case shall the amount of stock so held exceed ten (10) per cent of the paid-up capital of such bank.

**Not More Than 4 Per Cent To be Paid on Deposits.**

SEC. 27. No banking corporation transacting a banking business under this Act shall pay interest on time deposits directly or indirectly



at a greater rate than four per cent per annum. Any officer, director or employee of a bank violating the provisions of this section directly or indirectly, shall be deemed guilty of a misdemeanor and on conviction thereof shall be punished by a fine of not less than one hundred (\$100) dollars, or more than five hundred (\$500) dollars, or by imprisonment in the county jail not exceeding six months, or both at the discretion of the Court.

**Semi-annual Dividends; Provisions.**

SEC. 28. Any corporation transacting a banking business under this Act may semi-annually declare a dividend of so much of the net profits as it may deem expedient, but such corporations shall, before the declaration of a dividend, carry one-tenth part of its net profits to its surplus fund, until the same shall amount to twenty (20) per centum of its paid-up capital stock.

**Real Estate Held, Under Restrictions—Savings Banks Excepted.**

SEC. 29. Any corporation transacting a banking business under this Act may purchase, hold, and convey real estate for the following purposes only: Such as is necessary for convenient transaction of its business, not exceeding in value one-third of the paid-up capital; such as shall be conveyed to it for debts due the bank, and such as it shall purchase at sale under judgments or decrees upon its securities, but the bank at such sale shall not bid a larger amount than to satisfy its debts or at a sale upon its judgment or decrees shall be held longer than five (5) years and within thirty days thereafter must be sold at private or public sale, and at no time shall the total amount of real estate held by any bank for any purpose exceed fifty (50) per cent of the paid-up capital of such bank. Savings banks shall not be subject to the provisions of this section.

**No Branch Banks.**

SEC. 30. No banking corporation doing business in this State shall open or maintain any branch bank or office.

**Not To Use Same Or Similar Names.**

SEC. 31. It shall be unlawful for two or more banks transacting a banking business in the same city, town or village in this State to have or use the same name, or names so nearly alike as to cause confusion in transacting business, and in all cases where such similarity of names now exists, or may hereafter exist, complaint may be made to the State Banking Board, and if, in the judgment of said board, such a similarity does exist, and does create confusion in conducting the business of either or both of said banks, then the board may require the junior bank in time of organization to so change or modify its name as to prevent such confusion, and the change of name so made shall be approved by said Banking Board.

**Bank Officer Not To Be Surety for Loans.**

SEC. 32. It shall be unlawful for any director, officer or employee of any banking corporation doing business in this State to become an endorser or surety for loans to others, or in any manner become obliged for money borrowed of or loaned by such bank. The office of any director, officer or employee, who acts in contravention to the provisions of this section, immediately thereon becomes vacant, and no



such director, officer or employee shall be elected or appointed to such vacancy while such indebtedness exists.

**Bank Officer Not To Borrow Money From Bank.**

SEC. 33. It shall be unlawful for any director, officer or employee of any bank directly or indirectly, for himself or as the agent of others, to borrow money from such bank, unless he gives good and sufficient security for the repayment of said loan, which said loan and security must be approved by a majority vote of the directors, in regular or in special meeting assembled, the applicant not voting, and all the proceedings relating thereto shall be recorded at length in the records of the bank.

**Amount Loaned by Bank Limited—Penalties.**

SEC. 34. No corporation transacting a banking business in this State shall directly or indirectly, loan to any single corporation, firm or individual, including in such loan all loans made to the several members of any such firm for the use or benefit of such firm, corporation or individual, more than thirty per cent (30 per cent) of the paid-up capital and surplus of such bank, but the discounting of bills of exchange, drawn in good faith against actually existing values, and the discount of commercial paper actually owned by the persons negotiating the same shall not be considered as money borrowed, and in no case shall the total liabilities of the several stockholders of any bank to such bank exceed fifty per cent of the paid-in capital and surplus of such bank. Any officer, director or employee of any corporation transacting a banking business under the laws of this State, who shall violate, or knowingly permit a violation of the provisions of this section, upon conviction thereof shall be punished by a fine not exceeding five hundred dollars.

**Capital Must Not Be Withdrawn—Capital Stock Increased or Diminished, How—Restrictions.**

SEC. 35. No corporation transacting a banking business under this Act shall withdraw, or permit to be withdrawn, either in the form of dividends or otherwise, any part of its capital. If losses have at any time been sustained, equal to or exceeding undivided profits on hand, no dividend shall be made; and no dividend shall be made by any bank transacting a banking business under the laws of this State, to an amount greater than the net profits on hand less the losses and bad debts; *provided, however*, that the capital stock may be increased or decreased, in the manner following: First, the stockholders at any regular meeting shall by a vote of those owning two-thirds of the capital stock, authorize the president or cashier to notify the State Banking Board of the proposed reduction or increase of capital and a notice containing a statement of the amount of such proposed reduction or increase of capital shall be published for four (4) weeks in some newspaper published and of general circulation in the county where such bank is located. But no reduction shall be to any amount less than the capital required by this Act, and there shall be no reduction of capital or cancelation of stock until said reduction or cancelation shall first be approved by the State Banking Board; *provided*, that no reduction of capital or cancelation of stock shall be made that will impair the security of the depositors, and no increase shall be authorized by the State Banking Board until a statement shall have been filed with

said board, that the proposed increase of capital has been paid in, and said statement shall be sworn to by the president or cashier. Second, whenever any corporation transacting a banking business in this State shall desire to go into voluntary liquidation, they shall first obtain the written consent of the State Banking Board, who may, if they deem it advisable, before granting such request, order a special examination made of the affairs of such bank.

**Savings Banks, Provisions as to—Funds, How Invested—Proviso as to Mortgages.**

SEC. 36. Any corporation designating its business as that of a savings bank, shall have power to carry on a savings-bank business, as prescribed and limited in this Act. Any savings bank may receive deposits from the general public, and all deposits in any bank shall be paid to depositors, or their lawful representatives when required, and at such time and with such interest and under such regulations as shall be prescribed by said bank and approved by the State Banking Board, which regulations shall be printed and conspicuously posted in some place accessible and visible to all persons in the business office of said bank. The funds of any savings bank, except the reserve provided for in this Act, shall be invested in bonds of the United States, or of any State of the United States, or in the public debt or bonds of any city, county, township, village or school district of any State of the United States, which shall have been authorized by the Legislature of the State, or shall be loaned on negotiable paper, secured by any of the above-mentioned classes of security, or upon notes or bonds secured by mortgage lien upon unincumbered real estate; *provided*, that second mortgage loans may be made on improved farm lands, but no loans shall be made on such improved farm lands, or other real estate which, including the aggregate amount of incumbrance thereon, shall exceed fifty per cent of the cash value thereof, or upon notes secured by collateral security of known marketable value, or held as cash, or shall be deposited in good solvent banks; *provided*, that chattel mortgages shall not be deemed collateral security and savings banks are prohibited from investing their funds in them.

**Pass-books—Minors.**

SEC. 37. A pass-book shall be issued to each depositor in a savings bank for all money deposited on an open account. Such pass-books shall contain the rules and regulations adopted by such savings bank governing such deposits. In such pass-books shall be entered each [deposit] made by, and each payment made to, such depositor; *provided*, that nothing in this section shall prohibit a savings bank from issuing certificates for legitimate deposits; *provided, further*, when any deposit is made in any savings bank by a person being a minor, the said bank may pay to such depositor such sums as may be due him or her, and the receipt of such minor to such savings bank shall be in all respects valid in law.

**Certification of Checks.**

SEC. 38. It shall be unlawful for any officer or employee of any bank to certify any check drawn upon such bank unless the person, firm or corporation drawing the check has on deposit with the bank at the time such check is certified, an amount of credit on the depositors' ledger of such bank subject to the payment of such check, equal to the amount

specified in such check; but the certification of such check shall not be recoverable from the payee or holder except in the case of fraud. Whenever a check drawn upon any bank is certified by any officer or employee of such bank, the amount thereof shall be immediately charged against the account of the person, firm or corporation drawing the same.

#### Penalties.

SEC. 39. Any officer or employee of any bank who shall wilfully and knowingly violate any of the provisions of Sections 33 or 34 of this Act, shall be personally liable under his bond for any loss to the bank resulting therefrom.

#### Banks in Liquidation or Consolidation.

SEC. 40. Any bank, which is in good faith winding up its business for the purpose of consolidating with some other bank, may transfer its resources and liabilities to the bank with which it is in process of consolidating, but no consolidation shall be made without consent of the State Banking Board, nor shall such consolidation operate to defeat the claim of any creditor or hinder any creditor in the collection of his debt against such banks or either of them.

#### Voluntary Liquidation.

SEC. 41. Any bank may voluntarily liquidate by paying off all its depositors in full, and upon filing a certified statement with the State Banking Board setting forth the fact that all its liabilities have been paid, and upon the surrender of its license to transact a banking business it shall cease to be subject to the provisions of this Act; *provided*, that the State Banking Board shall cause an examination to be made of any such bank for the purpose of determining that all its liabilities, except to stockholders, have been paid.

#### Bank May Voluntarily Place Affairs With State Board.

SEC. 42. Any bank may place its affairs and assets under control of the State Banking Board by posting on its door the following notice: "This Bank is in the hands of the State Banking Board." The posting of such notice, or the taking possession of any bank by the State Banking Board, or by the Bank Examiner, shall be sufficient to place all of its assets, of whatever nature, immediately in the possession of the State Banking Board, and shall operate as a bar to the levying of attachments or executions thereon, and shall operate to dissolve and release any attachment levied thereon within sixty days next preceding such action.

#### Bank Not To Engage in Trade or Commerce—Proviso.

SEC. 43. No bank or trust company shall employ its moneys directly or indirectly in trade or commerce by buying or selling goods, chattels, wares or merchandise, and shall not invest any of its funds in the stock of any other bank or trust company, nor be the purchaser or holder of any shares therein, unless such securities or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith, and stock so purchased or acquired shall, within six months from the time of its purchase, be sold or disposed of at public or private sale; after the expiration of six months any such stock shall not be considered as part of the assets of any bank or trust company; *provided*, that it may



sell or become the owner of any personal property which may come into its possession as collateral security for any debt or obligation due it, according to the terms of any contract depositing such collateral security, or if there be no such contract, then collateral security may be sold in the manner provided by law for the foreclosure of chattel mortgages.

Banking Board To Notify Attorney-General, When—Any Supreme Judge to Act, When—Receiver Appointed, When—Present Laws to Govern, When.

SEC. 44. Whenever it shall appear to the State Banking Board, from any examination or report provided for by this Act, that the capital of any corporation transacting a banking business under this Act is impaired, or that such corporation is conducting its business in an unsafe or unauthorized manner, or is endangering the interests of its depositors, or upon the failure of such corporation to make any of the reports or statements required by the provisions of this Act or to comply with the provisions of said Act in all respects, the State Banking Board shall communicate the facts to the Attorney-General, who shall thereupon cause an application to be made to the District Court of the county where such corporation maintains its bank and is conducting its business, or to any Judge of such court, for the appointment of a suitable person as a receiver to take charge of the business assets and property of every kind of said corporation and to wind up its affairs; *provided, however*, that if the Judge or Judges of the District Court of the county where such application should be made be absent therefrom at the time such application is to be made, any Judge of the Supreme Court may appoint such receiver, but all proceedings in relation to such receivership thereafter shall be had before the District Court, or a Judge thereof, which might have appointed such receiver in the first instance, and the petition and the order appointing such receiver shall be forthwith transmitted to the Clerk of such District Court. It shall be sufficient to authorize the appointment of a receiver if any of the facts herein enumerated as a ground for the application for a receiver be made to appear. Nothing in this Act shall affect any proceeding now pending in settling up the affairs of any bank now in custody of the present Bank Commissioners or the Bank Examiner, or any receivership now pending, but all such settlements and proceedings shall be continued and completed in accordance with the present law, and all rights that may have accrued under and by virtue of any law now existing are hereby preserved.

Bond of Receiver, How Fixed.

SEC. 45. The court or Judge, appointing a receiver under the provisions of this Act, shall, in the order of appointment, fix the amount of his bond in an amount sufficient to protect all persons interested in the assets and affairs to be administered by such receiver, and the receiver, before entering upon his duties as such receiver, shall give a bond in the amount thus fixed, with sureties to be approved by said court, conditioned that he will faithfully and impartially discharge such duties, and well and truly account for all money and property coming into his hands as such receiver, and disburse the same in conformity to the order of such court or Judge, and to the provisions of this Act. Upon the approval of such bond and the taking of the oath required



by law, the person thus appointed shall have full power and authority, as receiver under the provisions of this Act.

**Insolvent Bank, How Restored.**

SEC. 46. After the State Banking Board, a Bank Examiner, or receiver shall have taken possession of any bank under the provisions of this Act, the stockholders thereof may repair its credit, restore or substitute its reserves, and otherwise place it in condition so that it is qualified to do a general banking business as before it was taken possession of as aforesaid, but such bank shall not be permitted to reopen its business until the State Banking Board, after careful investigation of its affairs, is of the opinion that said corporation has complied with the law, that the bank's credit and funds are in all respects repaired, and all advances, if any, made from the depositors' guaranty fund, with interest, fully paid, its reserve restored or sufficiently substituted, and that it should be permitted again to reopen for business; whereupon said State Banking Board is authorized to issue written permission for reopening of said bank in the same manner as permission to do business is granted after the incorporation thereof, and thereupon said bank may be reopened to do business under the license originally granted under this Act.

**Order for Filing Claims on Insolvent Bank.**

SEC. 47. As soon as a receiver appointed under this Act has qualified, which shall be within ten days after his appointment, the court in which such proceedings are pending, or a Judge thereof, shall make an order fixing the time for filing claims against the corporation whose property is under such receivership, which shall not be more than sixty days from the date of such order, and notice thereof shall be given forthwith, by posting a copy of such order on the front door of the bank, and by publication thereof in some newspaper published in the county, to be designated by the court or Judge making such order, for at least three successive weeks prior to the date thus fixed.

**Priority of Claims.**

SEC. 48. The claims of depositors, for deposits, and claims of holders of exchange shall have priority over all other claims, except Federal, State, county and municipal taxes, and subject to such taxes, shall at the time of closing of the bank be a first lien on all the assets of the banking corporation from which they are due and thus under receivership; upon proof thereof, they shall be paid immediately out of the available cash in the hands of the receiver. If the cash in the hands of the receiver, available for such purpose, be insufficient to pay the claims of the depositors, the court in which the receivership is pending, or a Judge thereof, shall determine the amount required to supply the deficiency, and cause the same to be certified to the State Banking Board, which shall thereupon draw against the depositors' guaranty fund in the amount required to supply such deficiency, and shall forthwith transmit the same to the receiver, to be applied on the said claims of depositors.

**Equitable Distribution of Assets.**

SEC. 49. The court in which such proceedings are pending, or a Judge thereof, shall make such other and further orders and enter such

judgments as may be necessary or proper to insure a proper administration of such receivership, and a just and equitable distribution of the assets of such banking corporation among its creditors and all others entitled to participate therein, subject to the provisions of this Act.

**Authority of Bank Examiner—Previous Attachments Dissolved—Fees To Be Paid State and Receiver.**

SEC. 50. Any Bank Examiner, when ordered by the State Banking Board, or any receiver appointed under the provisions hereof, for the purpose of winding up the affairs of the bank, shall have authority to take possession of any bank to which the order of appointment shall relate, and retain the possession of such bank, its money, rights, credits and property of every description, as against any mesne or final process issued by any court against such bank the property of which has been thus taken by such examiner or receiver, and until such time as all of the liabilities of such bank have been fully paid and discharged, and any attachment lien against such property, acquired within sixty days next preceding the taking of such possession by such examiner or receiver as aforesaid, shall be thereby released and dissolved. For each and every day the State Bank Examiner shall so hold possession, such bank shall pay to the State Treasurer, for account of the General Fund, a fee of ten dollars (\$10), and for each and every day a receiver shall so hold possession, such bank shall pay such receiver as full compensation for his services a fee of not less than three dollars nor more than ten dollars as may be fixed by the State Banking Board, and in each case, in addition to said amount, the necessary clerk hire and attorney fees.

**Duties of Banking Board—Of Attorney-General and District Attorney—Supreme Judge, When to Act.**

SEC. 51. Whenever any bank refuses or neglects to deliver possession of its affairs, assets or property of whatever nature, to the State Banking Board, or to the person ordered or appointed to take charge of such bank according to the provisions of this Act, the State Banking Board shall communicate the facts to the Attorney-General, or to the District Attorney of the county wherein such bank is located, who shall thereupon cause an application to be made to the District Court or to any Judge thereof, having jurisdiction of the same, for an order placing such board, or the person ordered or appointed by it to take charge of such bank, in charge of such bank and its affairs and property; *provided*, that if the Judge of the District Court having jurisdiction of the same shall be absent therefrom at the time such application is to be made, then, and in that case, any Judge of the Supreme Court may grant such order, but the petition and order of possession shall be forthwith transmitted to the Clerk of the District Court of the county in which such bank is located.

**Receiver To Collect Assets.**

SEC. 52. Every receiver of a bank appointed under the provisions of this Act shall, immediately upon taking possession of such bank, proceed to collect all debts, assets and claims belonging to such bank, and, upon order of the District Court or Judge thereof, may sell or compound all bad or doubtful debts, and on like order may sell all the real and personal property of such bank upon such terms as the court or Judge thereof may direct; and may, if necessary, enforce the liabilities of officers or directors to such bank; *provided*, that bad or doubtful

debts as used in this section shall not include the liabilities of officers or directors; and whenever any such receiver shall have paid in full all of the liabilities of such bank, including any liability to the depositors' guaranty fund as herein provided, the funds and assets remaining in his hands, if any, shall be paid and delivered to the party or parties entitled thereto.

**Receiver To Make Monthly Reports.**

SEC. 53. Every receiver appointed under the provisions of this Act shall make the State Banking Board not less than one report monthly according to such form as may be prescribed and which shall be verified by his oath.

**Banking Board To Make Rules and Prescribe Forms.**

SEC. 54. The State Banking Board shall prescribe all such forms as may be useful or necessary in carrying out the provisions of this Act, and shall have power to make such rules and regulations, not inconsistent with the provisions of this Act, as may be necessary or proper to carry it into effect according to its true intent.

**General Penalties.**

SEC. 55. Where no other punishment is provided herein, any person violating any of the provisions of this Act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not less than twenty-five nor more than five hundred (\$500) dollars, or by imprisonment in the county jail for not less than thirty days, nor more than six months, or both, in the discretion of the Court.

**Bank, When Deemed Insolvent.**

SEC. 56. A bank shall be deemed to be insolvent:

First—When the actual value of its assets is insufficient to pay its liabilities.

Second—When it is unable to meet the demands of its creditors in the usual and customary manner.

**Bank Officer May Be Removed.**

SEC. 56A. Any officer of any bank or trust company, found by the Bank Examiner to be dishonest, reckless or incompetent, shall be removed from office by the board of directors of the bank of which he is an officer, on the written order of the Bank Examiner.

**Bank Officers Civilly Liable.**

SEC. 57. Every officer and director of any banking corporation who shall violate any provision of this Act shall be civilly liable for damages to any person injured thereby, and shall likewise be liable to the guaranty deposit fund of such corporation for the amount of money paid out to depositors therein.

**District Attorney, Duties of.**

SEC. 58. It shall be the duty of the Bank Examiner to inform the District Attorney of the county in which the bank or trust company is located of any violation of any of the provisions of this Act, which constitutes a misdemeanor or felony, by the officers, directors, or employees of any bank or trust company, and upon receipt of such information the District Attorney shall institute proceedings to enforce such provisions of this Act.



**This Act To Govern in Face of Bank's Charter or Articles—Prior Investments Not Affected.**

SEC. 59. The powers, privileges, duties and restrictions conferred and imposed upon any corporation or individual, existing and doing business under the laws of this State are hereby abridged, enlarged or modified as each particular case may require, to conform to the provisions of this Act notwithstanding anything to the contrary in their respective articles of incorporation or charters. The legality of investments heretofore made, or of transactions heretofore had, pursuant to any provisions of law in force when such investments were made or transactions had, shall not be affected by the provisions of this Act, except as the same can be done gradually by the sale or redemption of the securities so invested in, in such manner as to prevent loss or embarrassment in the business of such corporation or individual, or unnecessary loss or injury to the borrowers of such security, subject always to the approval of the State Banking Board.

**Words Construed.**

SEC. 60. The words "corporation," "banking corporation," "bank," or "banks," as used in this Act, shall refer to and include banks, savings banks, and trust companies, and all provisions of this Act for the government and regulation of banks shall apply to individuals, firms and corporations of any character conducting the business of receiving money on deposit, or otherwise acting in the capacity of a bank, as provided for in this Act.

**Validity of Individual Sections.**

SEC. 61. Each section of this Act, and every part of each section is hereby declared to be independent sections and parts of sections, and the holding of any section or part thereof to be void, or ineffective for any cause, shall not be deemed to affect any other section or part thereof.

**Appropriation.**

SEC. 62. For the purpose of paying all salaries and expenses herein authorized, and to furnish and equip an office at the State Capitol, and for all other purposes incident to carrying out the provisions hereof, the sum of twenty thousand dollars (\$20,000) is hereby appropriated out of the State Treasury.

*An Act making it a felony for any banker, or any officer, director, cashier, teller, managing member, manager, clerk, person, party or agent of any bank, banking corporation, association, firm or person engaged in a banking, brokerage, exchange or deposit business to receive, or accept or assent or be accessory to or permit the reception of deposits of money, currency or valuable paper, in banking and other institutions, knowing the same to be insolvent; providing a punishment therefor and establishing a rule of evidence in connection therewith.*

Approved March 13, 1909. Stats. 1909, p. 95.

**Banking Officer or Employee Not To Receive Deposits Knowing Institution To Be Insolvent or in Failing Circumstances—Penalty.**

SECTION 1. Every officer, director, cashier, managing member, manager, clerk, person, party or agent of any bank, banking corporation, association or firm, banking house, banking exchange, brokerage deposit



company, private bank, and every person, company or corporation, engaged in whole or in part in banking, brokerage, exchange or deposit business, in any way, who shall accept or receive on deposit in such bank or banking institution, as aforesaid, with or without interest, from any person, any money, bank bills or notes, or certificates, or currency, or other notes, checks, bills, bonds, stocks, drafts, or paper circulating as money, when he knows, or has good reason to know, that such person, bank, banking corporation, association or firm, banking house, banking exchange, brokerage deposit company, or private bank as aforesaid, is insolvent, and every person knowing of such insolvency who shall be accessory to, or permit, or connive at, or assent to, the accepting or receiving on deposit therein or thereby any such deposit as aforesaid, shall be guilty of a felony, and punished by imprisonment in the State Prison for not less than one, nor more than ten years.

**Failure To Prevent Receipt of Deposits a Felony—Proviso.**

SEC. 2. If any officer, director, cashier or manager of any incorporated bank, having authority to close any banking institution or to prevent the reception of deposits therein, shall not exercise such authority and prevent the receipt of deposits therein when he knows such bank is insolvent or in failing circumstances, he shall be deemed to have assented to the reception of any deposits received therein, and the failure, suspension or involuntary liquidation of any such bank or banking corporation within thirty days from and after the time of receiving any deposit therein shall be prima facie evidence of knowledge on the part of such officer, director, cashier or manager that such bank was insolvent or in failing circumstances at the time such deposit was received therein; *provided*, that if any director at any meeting of the directors of any such corporation held during the thirty days next preceding the failure, suspension or involuntary liquidation of any such bank or banking corporation, shall record his vote to receive no more deposits therein or to close such bank, he shall not be deemed to have assented to the reception of any deposit in such bank, within the meaning of this section.

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*An Act to provide for the incorporation of banks; banking institutions and saving societies, and the management of the affairs thereof, and other matters relating thereto, providing penalties for the violation of the provisions of this Act, and repealing all Acts in conflict thereof.*

Approved March 29, 1907. Stats. 1907, p. 362.

[This Act is effective only so far as it does not conflict with the Act approved March 24, 1909.]

**Incorporation of Banks.**

SECTION 1. Any number of persons, not less than three, may associate themselves together to establish a corporation for the transaction of a general banking business, or for the purpose of aggregating the funds and savings of the members thereof, and others, and preserving and safely investing the same for their common benefit.

**Articles or Certificate To Be Filed With Secretary of State.**

SEC. 2. The persons who desire to form a corporation for the purposes set forth in section one shall make, sign and acknowledge before some person competent to take an acknowledgment of deeds, and file

and have recorded in a book provided for that purpose, in the office of the Clerk of the county in which the principal place of business of the corporation is intended to be located, articles of incorporation, or a certificate of incorporation, and file a certified copy, under the hand and seal of the Clerk of said county, in the office of the Secretary of State, of said articles or certificate of incorporation.

**What Articles Shall Recite.**

SEC. 3. The articles shall set forth the following:

1. The name assumed to distinguish such corporation, and to be used in all its dealings, and shall be such as to distinguish it from any other corporation formed or incorporated under the laws of this State.

2. The name of the county, and of the city or town within the county in which its principal office or place of business is to be located in this State.

3. The amount of the capital stock of such corporation, and the number of shares into which the same is divided.

4. The names and places of residence of the stockholders, and the number of shares held by each of them respectively.

5. The period of its existence.

6. Whether the members of its governing board shall be styled directors or trustees of the corporation, and the number of such trustees or directors, which shall not be less than three.

7. There shall be attached to the articles or certificate of incorporation the affidavit of the persons named in said articles or certificate of incorporation as the incorporators thereof, that at least fifty per centum of the capital stock of said corporation has been actually and in good faith subscribed, and at least fifty per centum of the capital stock so subscribed has been actually paid in lawful money of the United States, to a person in such affidavit named, for the benefit of the corporation.

**Secretary of State To Issue Certificate—Proviso.**

SEC. 4. Upon making the certificate or articles of incorporation and the affidavit as aforesaid, and causing the same to be filed and recorded as aforesaid, and paying the fees therefor, the Secretary of State must issue to the corporation a certificate that a copy of the articles containing the required statement of facts has been filed in his office, and thereupon the persons so associating, their successors and assigns, shall from the date of such certificate be and constitute a body corporate, by the name set forth in said certificate or articles. The balance of the capital stock remaining unpaid shall be paid in within two years after said banking corporation receives its certificate of incorporation, and if not so paid, said banking corporation shall cease to do business: *provided, however*, that the provisions of this section shall not apply to corporations now in existence.

**Managing Boards of Banks.**

SEC. 5. The affairs and business of any banking corporation doing business under this Act shall be managed and controlled by a board of directors, or trustees, not less than three, nor more than thirteen in number, who shall be selected from the stockholders in the manner provided in the General Incorporation Act, a majority of whom shall be residents of Nevada. Such officers shall hold their offices for the term of one year, and until their successors are elected and qualified,

and before entering upon the discharge of their duties shall take and subscribe the usual official oath. The Board of Directors shall require the cashier, and any and all other officers having the care and handling of the funds of the bank, to give good and sufficient bond, to be approved by them, and held by such custodian as the board may designate. The Board of Directors shall hold not less than four regular meetings each year, and at such meetings a thorough examination of the books, records, funds and securities held by the bank shall be made by them, and the result of such examination shall be recorded in detail upon the record book of the bank.

#### **Transfers of Bank Stock.**

SEC. 6. No transfer of stock of any bank formed under this Act shall be valid as against the bank so long as the registered holder thereof shall be liable, either as principal debtor, surety or otherwise to the corporation for any debts which shall be due and unpaid; and no stock shall be transferred upon the books of any bank without the consent of a majority of the directors while the registered holder is indebted to the bank.

#### **Banks May Deal in Real Estate in Certain Cases.**

SEC. 7. It shall be lawful for any such company or corporation to purchase, hold and convey real estate for the following purposes:

1. Such as shall be necessary for its immediate accommodation in the convenient transaction of its business and for official purposes.
2. Such as shall be mortgaged to it by way of security for loans made by, or for moneys due, such corporation.
3. Such as shall be taken by it in satisfaction of any debts contracted in the course of its dealings.
4. Such as it shall purchase at sales under judgment decrees or mortgages held by such corporation, but such corporation shall not bid at such sale a larger amount than to satisfy such debts and costs.

#### **Prohibition As to Real Estate.**

SEC. 8. That said corporation shall not purchase, hold or convey real estate in any other case or for any other purposes, and all conveyances of such real estate shall be made to such corporation in the name mentioned in the articles or certificate of incorporation, and said corporation may sell and convey the same free from any claim thereon against any of the stockholders or any person claiming under them, by a conveyance under the hand and seal of the president or vice-president and cashier of said corporation duly acknowledged.

#### **No Bank Officer To Be Surety for Borrower.**

SEC. 9. No director or officer of any banking corporation shall become an endorser or surety for loans to others, nor in any manner become obligor for moneys borrowed of or loaned by such corporation. The office of any director or officer who acts in contravention of the provisions of this section immediately thereof becomes vacant, and he shall not be reelected or appointed to such vacancy while such indebtedness exists.

#### **Nor To Borrow Any Deposits.**

SEC. 10. No director or officer of any banking corporation can directly or indirectly for himself or as the agent of others, borrow any



of the deposits or other funds of such corporation, unless he gives good and sufficient security for the repayment of the said loan, which said security must be approved by the Board of Directors of the corporation.

**Insolvent Institutions Not To Receive Deposits.**

SEC. 11. It shall be unlawful for any president, director, manager, cashier, or other officer of any banking institution, to assent to the reception of deposits, or the creation of debts by such banking institution, after he shall have had knowledge of the fact that it is insolvent, or in failing circumstances; and it is hereby made the duty of every such officer, agent or manager of such banking institution to examine into the affairs of the same, and if possible know its condition; and upon failure of any such person to discharge such duty he shall for the purpose of this Act, be held to have had knowledge of the insolvency of such bank, or that it was in failing circumstances. Every person violating the provisions of this section shall be individually responsible for such deposits so received and all such debts so contracted; *provided*, that any director who may have paid more than his share of the liabilities mentioned in this section may have a proper remedy at law against such other persons as shall not have paid their full share of such liabilities.

**Insolvency Defined.**

SEC. 12. A bank shall be deemed to be insolvent, first, when the actual cash market value of its assets is insufficient to pay its liabilities; second, when it is unable to meet the demands of its creditors, in the usual and customary manner.

**Bank Stock May Be Sold for Delinquent Assessment.**

SEC. 13. Whenever any shareholder, or his assignee, fails to pay any assessment on his stock, when the same is required to be paid, the directors of such bank may sell the stock of such delinquent shareholder, or as much thereof as is necessary to satisfy the debt, at public auction, after having given three weeks' previous notice thereof in a newspaper published and in general circulation in the city or county where the bank is located, to any person who will pay the highest price therefor, to be not less than the amount due thereon with the expenses of the advertisement and sale; but said stock so bid for shall at the price bid be first tendered to the other stockholders of said bank at said price, and if said stock is not taken by the said stockholders or any of them, then said stock shall be sold to the said highest bidder, and the excess, if any, shall be paid to the delinquent stockholder. If no bidder can be found who will pay for such stock the amount due thereon, and the cost of the advertisement and sale, the amount previously paid shall be forfeited to the bank, and such stock shall be sold as the directors shall order, within six months from the time of such forfeiture.

**Advertisements Must State Amount of Paid-up Capital.**

SEC. 14. No banker or officer of any bank or corporation doing a banking business, shall advertise in any manner, or publish any statement of the capital stock authorized or subscribed unless he advertise and publish in connection therewith, the amount of capital actually paid up. Any officer, or the officers of any bank or corporation doing a banking business, advertising in any manner, or publishing a statement of the capital stock of such bank or banking corporation author-



ized or subscribed, without the statement in connection therewith of the stock actually paid in, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not to exceed five hundred dollars, or imprisonment in the county jail for a period of not to exceed six months, or by both such fine and imprisonment.

General Act To Apply,

SEC. 15. All provisions of "An Act providing a General Corporation Law," approved March 15, 1903, amended March 14, 1905, not in conflict with this Act are hereby adopted as a part of this Act.

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